

2019 Municipal Budget



March 26, 2019

Objectives



Overall

- Establish a 5-10 year roadmap for growth and smart development to increase ratables, diversify our tax base, and improve infrastructure, traffic, mobility and parks to create a vibrant, livable, and affordable town for residents of all ages and abilities

Budget

- Minimize tax burden on residents while investing in people, processes, and infrastructure to establish Westfield as a 21st Century Community
- Create a smarter, more efficient government over the long-term enabling us to “do more with less”

2018: Looking Back

Goal 1

Demonstrate fiscal responsibility & sound financial management

Goal 2

Improve transparency, communication, service & engagement

Goal 3

Increase operating efficiencies while enhancing services

Goal 4

Assess critical town assets, invest in infrastructure & promote safety

Goal 5

Emphasize smart planning, economic development & growing ratables

2018 Results: How Did We Do?

Goal 1

Demonstrate fiscal responsibility & sound financial management

Goal 2

- Maintained Westfield's 'AAA' bond rating
- Generated \$200k in additional unanticipated revenue with new cash management plan
- Put surplus to work with strategic investments while lowering resident tax burden
- Established Investment Advisory Council and hosted first public budget meeting to solicit input
- Generated another \$4.2mm surplus

2018 Results: How Did We Do?

Goal 1

Demonstrate fiscal responsibility and sound financial management

Goal 2

Improve transparency, communication, service & engagement

Goal 3

- Introduced volunteer open app process, live streamed Council meetings, published names of appointees, posted all agendas and Board members online
- Hired part-time Public Information Officer (PIO) thereby improving overall timeliness of town communication and enabling proactive social media presence; enhanced emergency notifications; introduced email comm tool
- Introduced first time RFP/RFQ process for all Town paid professional services
- Established new committees: Senior Advisory Council, Adaptive and Inclusion Committee, Media Council, Tech Advisory Council, Mental Health Commission

2018 Results: How Did We Do?

Goal 1
Demonstrate

- Purchased new DPW equipment including street sweepers, plows & road repair equipment
- Exploring shared DPW and Court services with nearby towns
- Hired new engineering inspector to assist in expediting inspections for capital infrastructure improvements, construction site violations, and ADA compliance enforcement

Goal 2
Improve

Goal 3
Increase operating efficiencies while enhancing services

Goal 4
Assess critical town assets and infrastructure, and promote safety

Goal 5
Emphasize smart planning, economic development, & growing ratables

2018 Results: How Did We Do?

Goal 1

Demonstrate

- Implemented proactive sewer cleaning downtown to mitigate clogging/flooding

Goal 2

Improve com

- Hired consultant to complete 5 year strategic road paving plan for implementation beginning in 2020

Goal 3

Enhance serv

- Hired new school resource officers at the request of the BOE
- Installed new safety measures at key pedestrian intersections

Goal 4

Assess critical town assets, invest in infrastructure & promote safety

Goal 5

Emphasize smart planning, economic development, & growing ratables

2018 Results: How Did We Do?

- Initiated Master Plan Reexamination and Parks Strategic plan processes
- Introduced inaugural successful AddamsFest event that has significant growth & revenue potential
- Reduced parking enforcement downtown as a means to improve the business climate
- Strengthened partnership with reenergized DWC to enhance downtown events as a means to drive foot traffic (Second Sundays, Farmer's Market relocation, AddamsFest, enhanced Festifall and tree lighting festivities)

Goal 5

Emphasize smart planning, economic development, & growing ratables

2019 Proposed Budget



2019 Goals and Key Actions

Goal 1

Continue track record of strong fiscal management, with an emphasis on managing surplus, investing strategically, and improving cost efficiencies

Goal 2

Continue to invest in technology and automation as a means to improve service and support growth without adding costs

Goal 3

Modernize and upgrade critical Town assets to improve efficiencies and service

Goal 4

Prioritize smart planning and redevelopment as Master Plan and Parks Plan come to fruition

Goal 5

Expand efforts and opportunities to engage the community

Goal 1

Continue strong fiscal management, with an emphasis on managing surplus, investing strategically, and improving cost efficiencies

- *Presenting a 2019 municipal budget with a 0% increase in the tax rate*
- *Maintain the Town's 'AAA' bond rating*
- *Maintain a healthy \$9.5 million in fund balance or surplus*
- *Continue to evaluate our cash management plan to maximize returns with input from the Investment Advisory Council*
- *Reassess all opportunities to grow non-property tax revenue sources while ensuring alignment with Town objectives and quality of life initiatives*

Goal 2

Continue to invest in technology and automation as a means to improve service, convenience and support growth without adding costs

- *Introduce new, advanced and interactive website*
- *Implement and enhance online features of our expanded SDL platform to enable online permitting, property searches, and payments*
- *Launch new "Westfield Connect" app for online reporting and tracking of public works issues*
- *Fund recodification of our Town Code with implementation of eCode360, enabling search functionality*
- *Initiate a body-worn camera system for all patrol officers to better serve community and increase transparency in police interactions*

Goal 3

Modernize and upgrade critical Town assets to improve efficiencies and service

- *Evaluate key Town Hall meeting areas in anticipation of renovation and technology upgrades*
- *Expand support of sewer cleaning program in the downtown as a means to support and attract businesses*
- *Install EV charging stations in municipal parking lots and future development projects*
- *Continue investing in Public Works and Public Safety equipment to modernize fleet and reduce maintenance costs*

Goal 4

Prioritize smart planning and redevelopment as Master Plan and Parks Plan come to fruition

- *Fund a unified Land Use Element and Transportation Plan as companion documents to the Master Plan Reexamination report to proactively address changing trends and new developments*
- *Anticipate potential recommendations from both Plans and prepare to move forward expeditiously*
- *Leverage recently awarded grants for walkability and bicycle/pedestrian planning assistance to implement various pedestrian enhancements across the Town to align with the "Year of the Pedestrian" initiative*

Goal 5

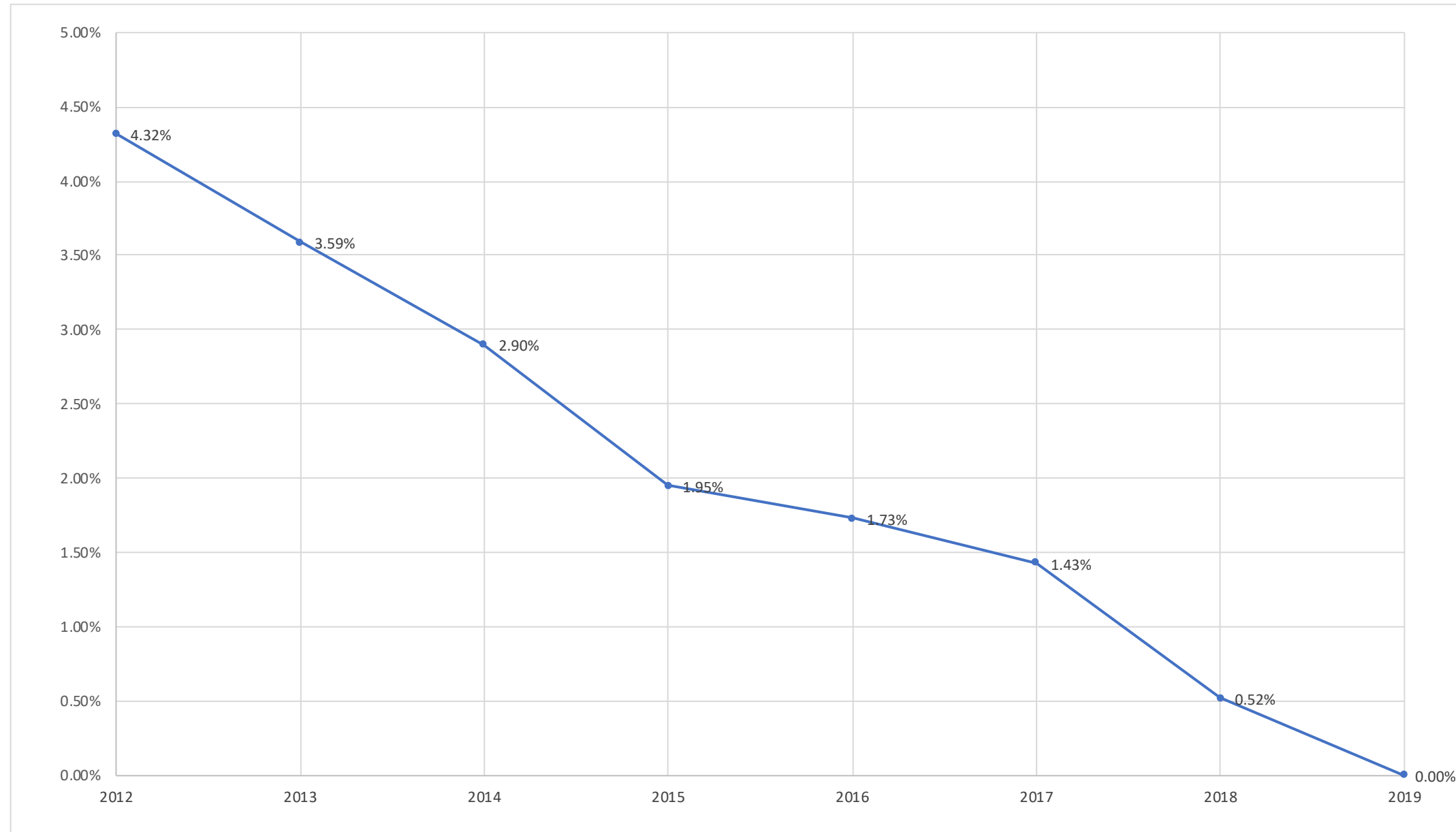
Expand efforts and opportunities to engage the community

- *Continue our partnership with the Board of Education to provide School Resource Officers to enhance safety and renew positive police relationships with students, staff and parents*
- *Fund new Health Educator position in the Board of Health to assist in implementing proactive public health programs and support relevant advisory committees*
- *Support town wide special events such as Addamsfest, Green Team & Historic Preservation initiatives, Memorial Day parade, etc. Continue to partner with DWC to support and enhance downtown events*

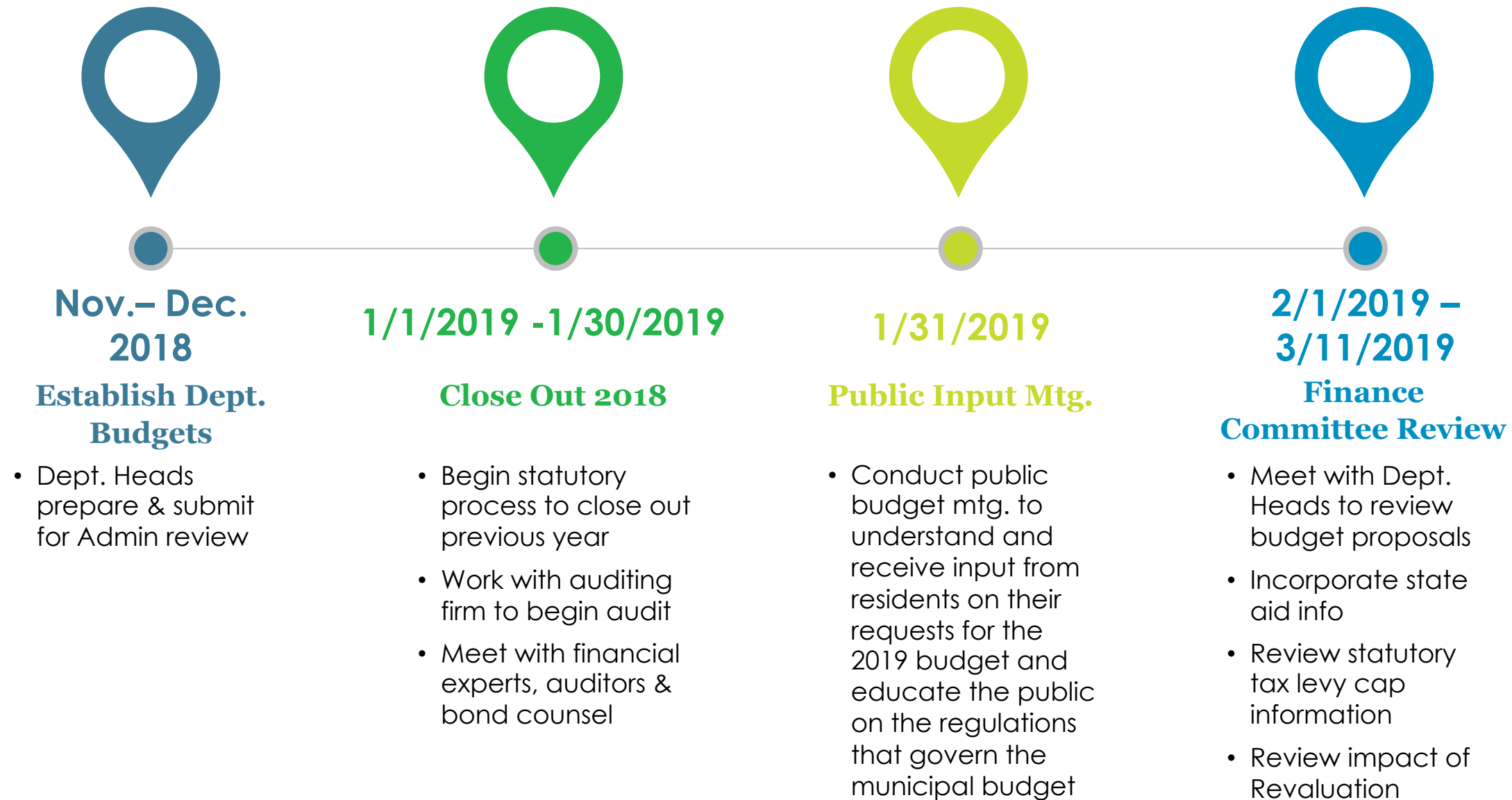
2019 Budget Highlights

- Zero % Municipal Tax Increase in 2019
- Total revenues increase by 6%, total expenditures increase by 2.32%
- Fiscally smart use of surplus. Putting “savings” to work to stabilize the tax rate and continue to invest in the Town’s future.
- Surplus balance retained at \$9.5 million target

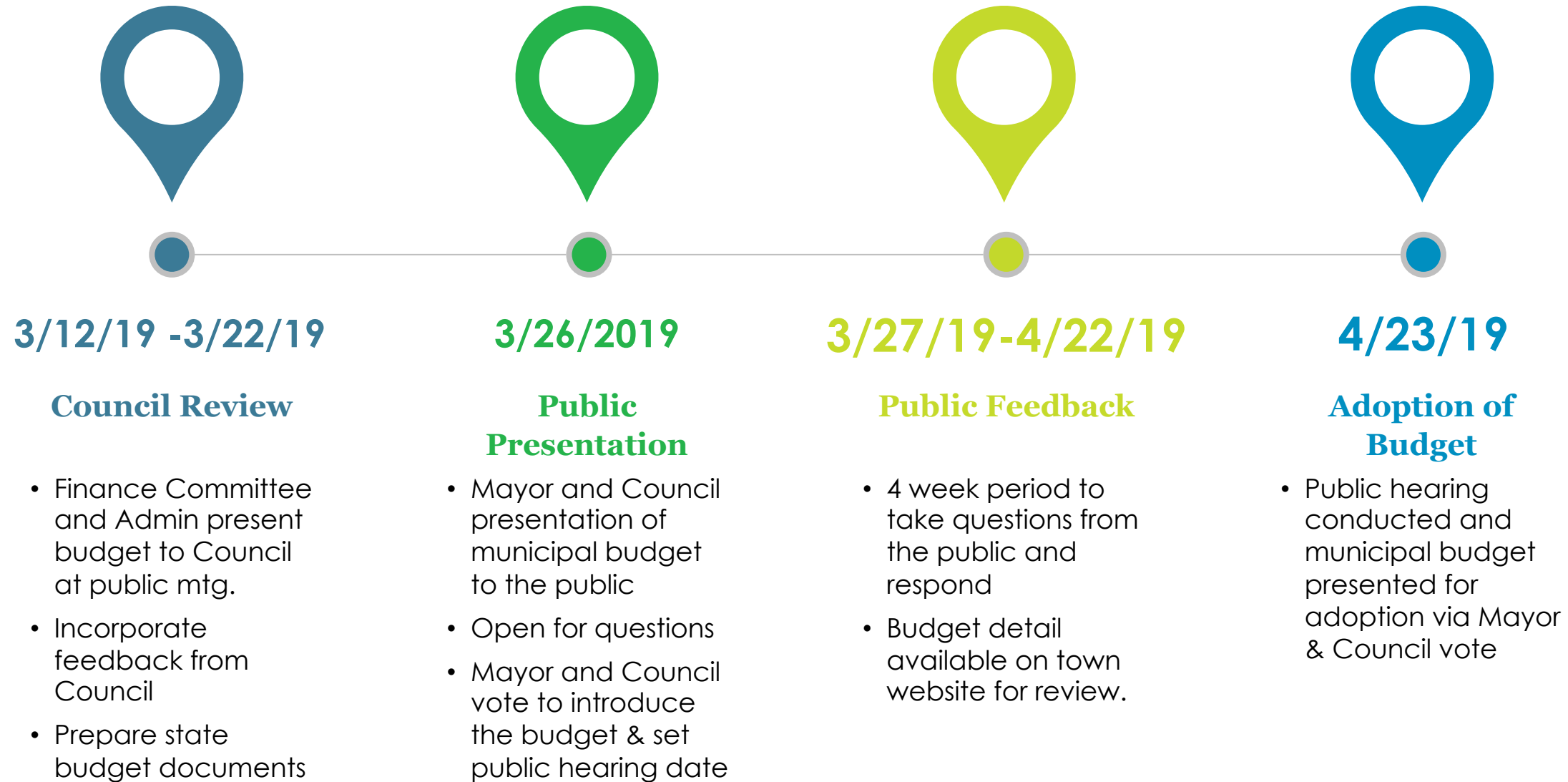
There will be no municipal tax increase for the first time in decades



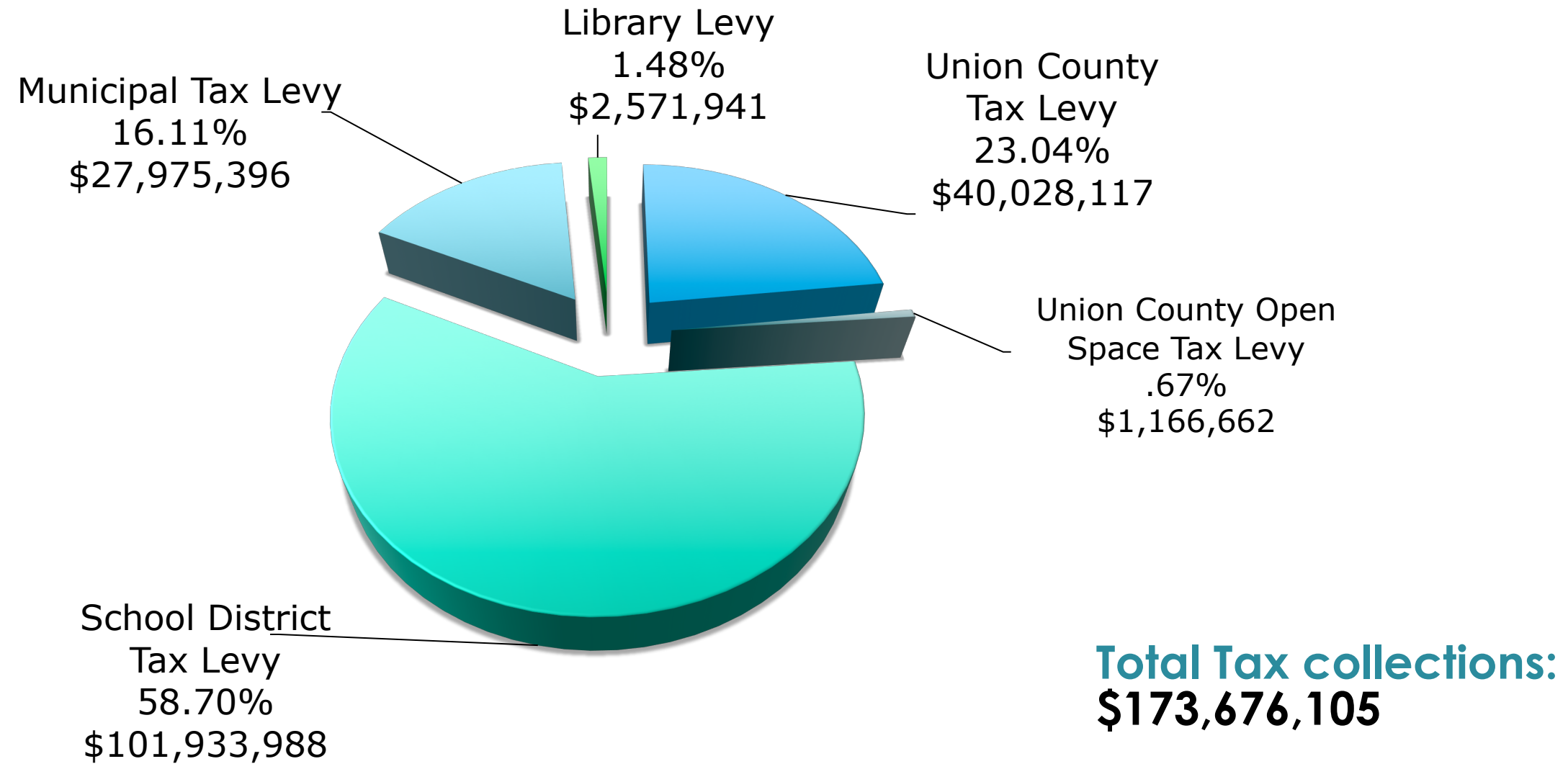
Budget Process and Timeline



Budget Process and Timeline



Where Your Taxes Go - 2018

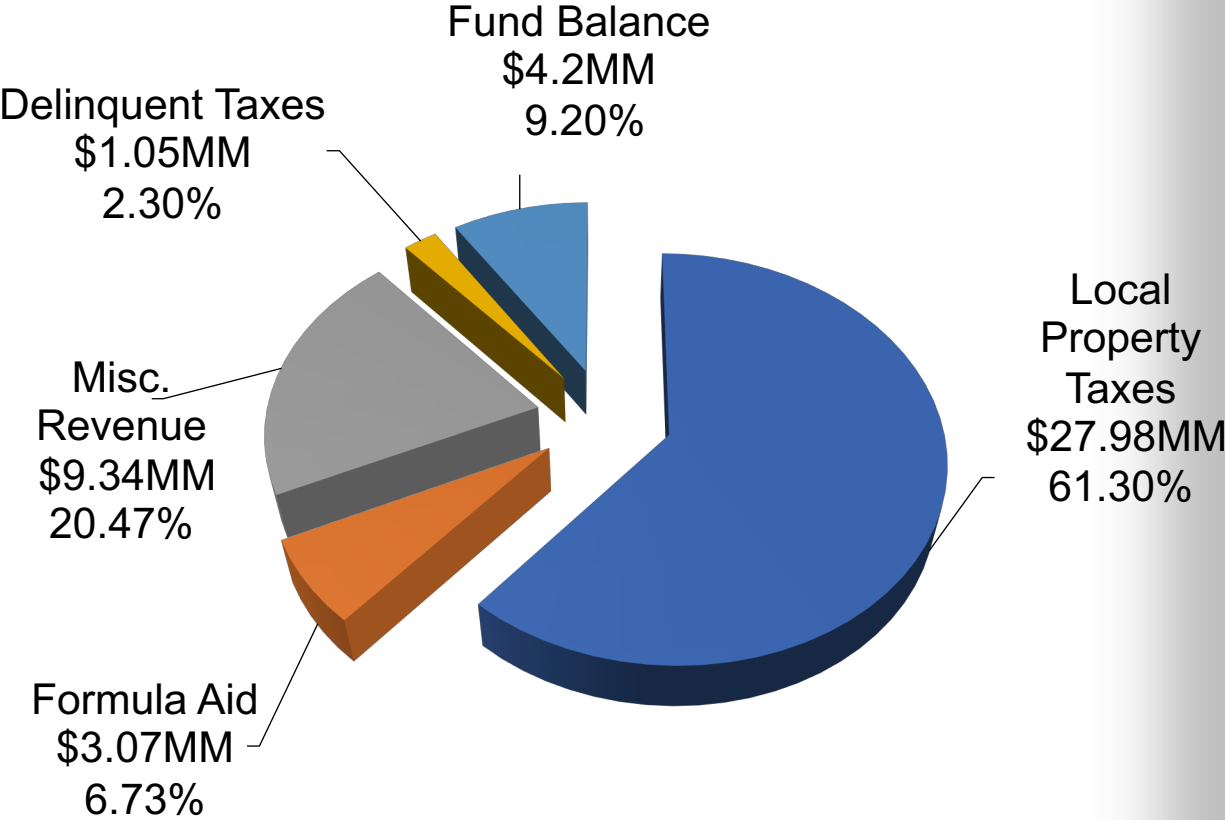


Westfield relies disproportionately on residential vs. commercial property taxes to fund all services (Town, BOE, County)

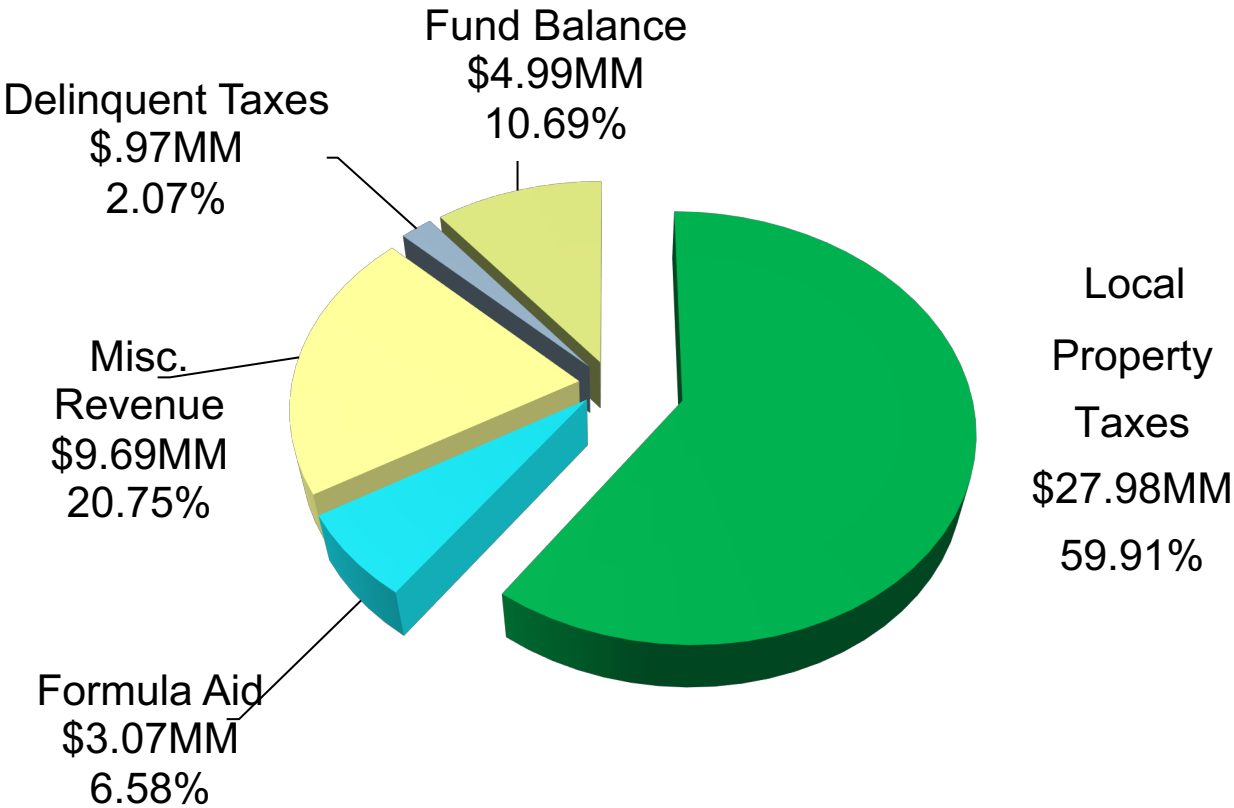
	<u>Vacant</u>	<u>Residential</u>	<u>Commercial</u>
County Wide Average	1.83%	76.09%	22.07%
Westfield	0.71%	89.67%	9.62%
Summit	0.38%	82.45%	17.17%
Cranford	0.42%	83.10%	16.47%

2019 budget reflects new revenue sources

2018 Revenues



2019 Revenues



Putting our Surplus to work, but maintaining ample nest egg!

<u>Year</u>	<u>Balance Available Jan 1</u>	<u>Balance Appropriated</u>	<u>Balance Remaining</u>	<u>Amount Generated</u>
2009	\$2,848,423	\$2,700,000	\$148,423	\$1,907,122
2010	\$2,055,545	\$1,840,000	\$215,545	\$1,627,557
2011	\$1,843,103	\$1,719,000	\$124,103	\$74,391
2012	\$198,494	\$0	\$198,494	\$1,431,303
2013	\$1,629,798	\$750,000	\$879,798	\$3,840,667
2014	\$4,720,465	\$906,023	\$3,814,442	\$2,776,449
2015	\$6,590,891	\$167,172	\$6,423,719	\$3,159,303
2016	\$9,583,023	\$974,344	\$8,608,679	\$3,800,986
2017	\$12,409,665	\$2,174,344	\$10,235,321	\$4,275,196
2018	\$14,510,517	\$4,200,000	\$10,310,517	\$4,200,840
2019	\$14,511,357	\$4,994,000	\$9,517,357	?

**Investing
\$4,994,000 of the
2019 available
surplus will leave
the town with a
\$9.5 mm surplus –
20% of the
budget!**

Anticipated Miscellaneous Revenues Increase by 6%

	2019	+/-
	<u>Anticipated</u>	<u>vs. 2018</u>
•Parking Fees (Permits, Meters & Paystations)	\$1,730,000	(-\$65,000)
•Sewer Fee	\$1,710,000	(+\$10,000)
•Building Department Fees	\$1,230,000	(+\$30,000)
•Miscellaneous Fees & Permits	\$ 858,740	(+\$234,340)
•Health Service Agreements	\$ 632,961	(+\$103,511)
•Municipal Court Fines and Fees	\$ 565,000	(-\$135,000)
•Cable Franchise Fees	\$ 469,471	(-\$18,903)
•Interest on Investments	\$ 380,000	(+\$205,000)
•Interest & Costs on Taxes	\$ 250,000	(Flat)

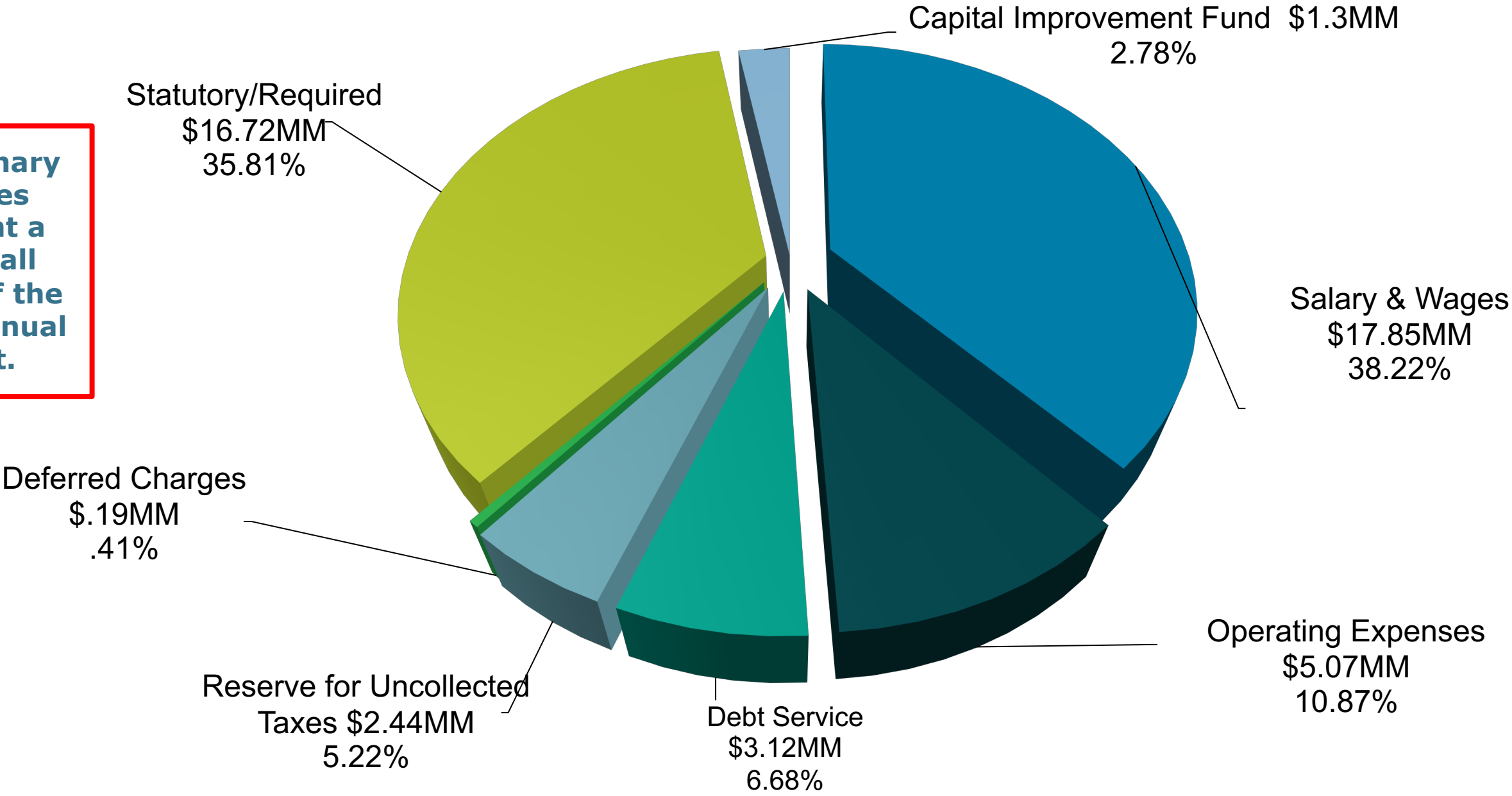
Interest on investments increase due to 2018 changes in cash management plan.

Fees & permit increase due to additional collections in Public Works Dept. including the new bulk waste program, sale of material at CC & road opening permits.

Court Revenue decreased due to conscious decision to reduce parking enforcement. Parking tickets issued in 2018 down 46% vs. 2017.

Appropriations Highlights

Discretionary expenses represent a very small portion of the overall annual budget.



Municipal Appropriations – 3 Year Review

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Inc./Dec.</u>
S&W	\$16,831,838	\$17,326,844	\$17,851,123	+ \$524,279 (3.03%)
Operations	\$4,468,220	\$4,820,702	\$5,076,372	+ \$255,670 (5.30%)
Debt Service	\$2,585,060	\$3,116,660	\$3,120,908	+ \$4,248 (0.14%)
Reserve for UT	\$2,345,000	\$2,390,000	\$2,440,000	+ \$50,000 (2.09%)
Deferred Charges	\$50,000	\$190,000	\$190,000	+ \$0
Statutory/Required	\$15,449,869	\$16,070,080	\$16,721,963	+ \$651,883 (4.06%)
Capital Imp. Fund	<u>\$1,100,000</u>	<u>\$1,725,000</u>	<u>\$1,300,000</u>	<u>- \$425,000 (-24.64%)</u>
Total	\$42,829,987	\$45,639,286	\$46,700,366	+ \$1,061,080 (2.32%)

2019 Capital Improvement Fund

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- 2 large dump trucks
- 4 mid size pick up trucks
- 1 large dump truck
- 1 sewer jet truck
- General additions to Capital Improvement Fund

Total 2019 Cost: \$1,300,000

2019 Capital Improvement Fund budget represents year 7 of a 9 year capital investment and rebranding plan for public works equipment initiated in 2015. Equipment purchases were doubled in 2016 and 2018.



Salary & Wages represent 38% of total budget

	<u>+/- vs. 2018</u>
Health Dept.	+ \$ 143,610 (18.10%)
Fire Dept.	+ \$ 92,000 (2.53%)
Police Dept.	+ \$ 70,673 (1.00%) (Police, Parking & Crossing Guards)
Engineering	+ \$ 52,313 (7.90%)
Administration	+ \$ 50,284 (4.57%) (Admin., Clerk, Collector, Assessor, Finance & Legal Depts.)
Building Dept.	+ \$ 47,371 (7.72%)
Public Works	+ \$ 41,030 (1.35%)
Recreation	+ \$ 14,228 (7.87%)
Court	+ \$ 8,220 (1.91%)
Fire Safety Official	+ \$ 4,550 (2.75%)

**Public Safety Services
represent 60% of total
S&W.**

**Public Works represents
17% of S&W.**

Statutory/Required Expenses represent 36% of the budget

	<u>+/- vs. 2018</u>
RVSA	+ \$289,248 (7.67%)
PFRS Pension	+ \$246,487 (11.13%)
PERS Pension	+ \$83,757 (8.61%)
Utilities	+ \$42,000 (2.59%)
Social Security	+ \$15,000 (2.31%)
Other Insurance (JIF)	- \$23,609 (-2.19%)
Health Insurance	- \$251,000 (-4.84%)

Total Health Insurance budget is at 2016 levels. Reduction due positive experience & annual negotiation resulting in reduction of premiums.

RVSA fee has increased 20% since 2016. Town subsidizes more than half of the fee.

Operating Expenses represent 11% of total budget

	<u>+/- vs. 2018</u>
Public Works	+ \$288,883 (14.80%)
Police Dept.	+ \$71,870 (9.75%)
Building Dept.	+ \$31,950 (19.13%)
Public Buildings	+ \$4,000 (1.37%)
Health Dept.	+ \$2,629 (2.80%)
Administration	+ \$725 (.10%) (Admin., Clerk, Collector, Assessor, Finance & Legal Depts.)
Court	- \$1,750 (-5.04%)
Board of Adj.	- \$3,027 (-18.32%)
Public Events	- \$5,000 (-13.89%)
Recreation Dept.	- \$39,750 (-94.64%)
Fire Dept.	- \$91,550 (-20.68%)

Public Works Dept. budget includes increase in annual recycling contract which totaled \$350,000.

Revaluation Impact:

Revaluation changes the tax rate, but not total taxes collected

- 2018 Total Tax Rate - \$9.297 (*Town, School, County, & Library*)
- Adjustment to Ratable Base due to Revaluation
 - 2018 - \$1,866,530,500
 - 2019 - \$8,247,768,600
- Recast 2018 Total Tax Rate - \$2.104
- 2019 Total Tax Rate? – To be established when all governmental budgets are approved and final tax rates are certified by the County

Revaluation Impact:

Profile of Average Residential Property

2018 Avg. Assessed Value: \$181,931

2018 Total Tax Rate: \$9.297

Average 2018 Residential Taxes: \$16,914

2018 Recast Assessed Value: \$795,159

2018 Recast Tax Rate: \$2.104

Average 2018 Recast Residential Taxes: \$16,730

Municipal Tax Rate Calculation - 2019

Total Expenditures	\$46,700,366 <i>(2.32% increase)</i>
<i>minus</i>	
Anticipated Revenues	\$18,724,071 <i>(6% increase)</i>
<i>equals</i>	
Tax Levy	\$27,976,295 <i>(0% increase)</i>
<i>divided by</i>	
Total Ratable Value	\$8,254,337,891 <i>(New ratable base after revaluation)</i>
<i>equals</i>	
Tax Rate (Municipal)	0.339 <i>(0% increase)</i>

2019 Budget Summary/Next Steps

- ZERO % increase in 2019 municipal tax rate. This hasn't happened in decades
- Surplus remains at a healthy \$9.5 million! AAA rating maintained
- Residents will still see a tax increase due to proposed 2.8% increase by BOE and proposed 2% increase by County.
- Accomplishing all that we set out to do—investment in infrastructure, roads, technology, planning, engagement—but adhering to our fiscal objectives
- Next Steps – Finalization of 2019 capital budget including:
 - road paving
 - sidewalk replacement
 - facility enhancements
 - technology upgrades
 - equipment replacement



Questions?

Website: www.westfieldnj.gov

Email: budget@westfieldnj.gov

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